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TO: Cylenthia Miller, Director
Detroit Workforce Development Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director *ly.*

DATE: April 29, 2005

RE: 2005-2006 Budget Analysis

Attached is our budget analysis regarding your department's budget for the upcoming 2005-2006 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

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Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Roger Short, Budget Department Director
Vera Magee, Budget Department Team Leader
Sean Werdlow, Chief Financial Officer-Mayor's Office
Kandia Milton, Mayor's Office

Detroit Workforce Development Department (21)

FY 2005-2006 Budget Analysis by the Fiscal Division

Summary

The Detroit Workforce Development Department (formerly the Employment and Training Department) is a General Fund Agency. The recommended 2005-2006 budgeted appropriations total \$59,121,997, which represents a \$15,535,812 increase (35.6%) from the current fiscal year. The Department's net tax cost to the City is budgeted at \$2,000, which is the same as the current fiscal year.

The Mayor does not recommend any change in the number of positions in the proposed 2005-2006 budget; therefore the will maintain its 95 grant-funded positions.

2005-2006 Surplus/(Deficit)

There is no projected deficit or surplus for the 2004-2005 fiscal year.

Overtime

There is no overtime budgeted for fiscal year 2005-2006, a decrease of \$155,250 from the 2004-2005 fiscal year. Actual overtime incurred to date in 2004-2005 is \$85,541.

Personnel and Turnover Savings

No employee turnover savings have been identified for the Detroit Workforce Development Department.

Following is information by appropriation comparing budgeted FY 2004-05 positions, March 31, 2005 filled positions and FY 2005-06 recommended positions.

<u>Appropriation/Program</u>	<u>Budgeted Positions FY 2004-05</u>	<u>Filled Positions 3/31/2005</u>	<u>Mayor's Budget Positions FY 2005-06</u>	<u>Mayor's Over/(Under) Actual to 04/05 Budget</u>	<u>Mayor's Recommended Turnover</u>
Detroit Workforce Dev. Dept. (21):					
11353 Work First-Administration	95	84	0	(11)	\$ -
11637 Work First-Training Related	0	0	95	0	\$ -
21XXXX Leave of Absence	0	(2)	0	(2)	\$ -
21XXXX Worker's Comp.	0	0	0	0	\$ -
21XXXX Unmatched Positions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$ -</u>
TOTAL	<u>95</u>	<u>84</u>	<u>95</u>	<u>(11)</u>	<u>\$ -</u>

Proposed Layoffs and Vacant Position Reductions

There are no layoffs or vacant position reductions budgeted for this department.

Significant Funding Changes by Appropriations

<u>Appro.</u>	<u>Program</u>	
11652	General Fund Account-Late Fees	This item budgeted at \$2,000 in the current fiscal year, is reflected in a new grant appropriation in the 2005-06 fiscal year budget. This is currently in appropriation 11338 General Fund Account-Late Fees in 2004-05.
11637	Work First	This grant appropriation budgeted at \$20.9 million in the 2005-06 FY, increases by \$10.1 million over its former 2004-05 appropriation 11353 Work First.
11638	Food Stamp Only	This program increases by \$805,305 in the upcoming fiscal year to \$2.1 million over its 2004-05 appropriation, 11355 Food Stamp.
11639	Food Stamp Only SS	The Mayor recommends that this program will decrease by \$24,244 in 2005-06 to \$27,556, from its former appropriation, 11356 Food Stamp Only SS.
11640	Employment Service	This program expands in the upcoming fiscal year by \$200,000, up from \$2 million in appropriation 11357 Employment Service in FY 2004-05.
11358	Reemployment Services	Funds for this program discontinue in the 2005-06 FY. This eliminates \$256,982 from the 2004-05 Redbook.
11361	Adult Accessibility Issues	The Mayor's Proposed Budget does not reflect any funds being appropriated to this program. Approval of the state's budget for the current fiscal year will determine if any funds will be made available for this program. Cutting this program results in a budget reduction of \$700,000 from the 2004-2005 Redbook.
11641	TAA	This new appropriation is budgeted at \$150,283 in the 2005-06 FY.
11642	NAFTA- TAA	This new appropriation is budgeted at \$500,000 in the 2005-06 FY.
11644	Enhanced Mobility	This grant appropriation budgeted at \$1.5 million in the 2005-06 FY, increases by \$1.24 million over its former 2004-05 appropriation 11363 Enhanced Mobility.
11645	One Stop Operations GF/GP	This new program is budgeted at \$500,000 in the 2005-06 FY.
11646	WIA Adult	This grant appropriation decreases by \$1.34 million to \$5.46 million in FY 2005-06, down from \$6.8 million in

appropriation 11366 WIA Adult in the current fiscal year.

11647	WIA Dislocated Worker	This program decreases by \$238,000 in 2005-06 to \$5.712 million, down from \$5.95 million in appropriation 11367 WIA Dislocated Worker in 2004-05.
11648	WIA Incumbent Worker	This new appropriation is budgeted at \$215,021 in the 2005-06 FY.
11651	WIA Administration	This program decreases by \$86,088 in 200-506 to \$2.178 million, below the 2004-05 level of \$2.264 million in 2004-05.
11722	Work First State GF/GP Program	This new appropriation is budgeted at \$6 million in the 2005-06 FY.
11734	Focus Hope State GF/GP	This new appropriation is budgeted at \$4.978 million in the upcoming 2005-06 FY.
11354	YO VI	This grant appropriation budgeted at \$5.25 million in the 2004-05 FY is eliminated in the 2005-06 budget, due to the fact that funding for program ends June 30, 2005.
11643	DWSD Compact	This item budgeted at \$250,000 in the current fiscal year, is reflected in a new grant appropriation in the 2005-06 fiscal year. This is currently in appropriation 11362 DWSD Compact in 2004-05.
11649	WIA Youth	This grant appropriation budgeted at \$6.2 million in FY 2005-06, is a \$1.388 million reduction from its FY 2004-05 appropriation 11369 WIA Youth In School.
11650	WIA Youth Statewide	This new grant appropriation is budgeted at \$93,369 million in the 2005-06 FY.

Detroit Workforce Development Department (21)

Budgeted Professional and Contractual Services by Activity	FY 2003-04 <u>Budget</u>	FY 2004-05 <u>Recommended</u>	Increase <u>(Decrease)</u>
Supportive Services	\$ -	\$ -	\$ -
E & T - Adult Client Services	31,512	21,895	(9,617)
Youth Services-Summer	488	3,106	2,618
Total	<u>\$ 32,000</u>	<u>\$ 25,001</u>	<u>\$ (6,999)</u>

Significant Revenue Changes

Appro. Program

11637	Work First	This grant revenue appropriation budgeted at \$20.7 million in the 2005-06 FY, increases by \$9.9 million over its former 2004-05 revenue appropriation 11353 Work First.
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11638 Food Stamp
Only

This program revenue increases by \$847,228 in the upcoming fiscal year to \$2.2 million over its 2004-05 revenue appropriation, 11355 Food Stamp.

Issues and Questions

Overall, grant revenues for the Workforce Development Department, which include WIA Revenues at \$3.38 million & Grant Revenues at \$12.15 million are expected to increase by \$15.5 million (35.6%) in the 2005-06 FY.

- How likely are these estimates to be met in the upcoming fiscal year?

Pg. 21-11 YOUTH SERVICES MEASURES & TARGETS

Youth Services, budgeted at \$13 million in the current fiscal year are expected to decrease by \$6.5 million in 2005-06, however, five of the six measures are expected to increase, with the remaining one expected to remain the same as targets for the 2005-06 FY.

- How likely is the department to reach its goals listed on page 21-11 for Youth Services with a 49.9% reduction in funding?
- What was the rationale for the Youth Services target levels listed for 2005-06?

How will the programs scheduled for elimination in funding in the 2005-06 FY impact the citizens that utilize the programs?

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